

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:397

ANSWERED ON:22.02.2001

LOAN BY GERMAN BANK TO NHPC FOR NEW PROJECTS

Y.S. VIVEKANANDA REDDY

Will the Minister of POWER be pleased to state:

- (a) whether a leading German Bank has offered a credit of 300 million dollars to the National Hydro Electric Power Corporation for financing new projects without the usual conditionality of the sovereign guarantee;
- (b) if so, the details and the terms and conditions of the said loan;
- (c) whether the conditions laid down for the credit line are against the norms of the Corporation's imports from United States, Europe and Japan;
- (d) if so, the details thereof;
- (e) whether the Government have accepted this loan;
- (f) if so, the reasons therefor; and
- (g) the time by which the Bank is likely to provide such loans to India?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (g) : Yes, Sir. National Hydro-electric Power Corporation (NHPC) has received an offer for a credit line of US\$ 300 million or its equivalent in Euro from a German bank for Export Credit for goods originating from all European countries/Organisation for Economic Cooperation & Development (OECD) countries and the offer is with insurance cover granted by respective Export Credit Agencies (ECA) and additional collateral/bank guarantee, if required by the ECA. Credit line agreement shall be valid for period of two years from the date of signing the agreement. The terms and conditions indicated in the offer are not against the norms of the Corporation.